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ABSTRACT

Although self-employment is a growing career option in Canada, many career practitioners find it personally difficult to make the leap from being an employee to starting a business. E-mail surveys completed by 13 self-employed career practitioners and counselors revealed six key factors that contributed to their business success: vision and passion, knowledge of the field, strong professional relationships, effective marketing, and solid financial management. The participants also identified several personal characteristics as contributing to their business success: perseverance, endurance, openness to change, integrity, balance, and willingness to take risks. Most respondents identified autonomy as the most enjoyable part of self-employment, followed closely by working with great people and having more lifestyle options. There were mixed findings regarding the financial rewards of self-employment--although some were earning more than when employed, many weren't. The paper concludes with ten steps for building a business, extracted from the survey results. (Author)

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Building a Business: 10 Steps to Fun, Freedom and Financial Independence

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Career practitioners have long been encouraging their clients to consider alternatives to full-time work such as self-employment or building a business (MAECD, 1995). Concurrently, leaders in the career development community have been urging career practitioners to move their practices into the mainstream (Canadian Guidance and Counselling Foundation, 1995; Neault, 2002; Watts, 1996). However, many career practitioners remain locked into work that is largely dependent on government funding. Although many may be contemplating striking out on their own, few have taken their own advice and become self-employed.

If career practitioners are to successfully strike out on their own, it is important to understand the challenges that others have faced and to learn from others' successes. Therefore, to prepare for this paper, I surveyed several self-employed career practitioners and counsellors across Canada. Their stories are shared here, in the hope that their successes will inspire others to join the ranks of the self-employed.

A Survey of Self-Employed Counsellors and Career Practitioners

The Survey

A brief qualitative survey was emailed, in January 2003, via professional listservs (e.g., BC WorkInfoNet, NETWERCC, CCA Private Practitioners) and also to specific self-employed colleagues. The survey investigated (a) factors contributing to business success, (b) advice for starting over in today's economy, (c) the fun of being self-employed, and (d) whether individuals earned more or less money (net) than when they worked as employees. Respondents were also invited to offer any other comments that might help others with similar backgrounds move successfully into self-employment.

The Participants

Thirteen self-employed counsellors and career practitioners replied to the survey. All were women. Some had recently started their businesses, while others had been in business for more than 10 years. The businesses were dispersed geographically across Canada, representing BC, Alberta, Quebec, Nova Scotia, New Brunswick, and Prince Edward Island.

Themes from the Survey Results

Business Success Factors

Vision and Passion

Most respondents alluded to the importance of vision and passion. One identified a success factor as "working from the inside out…meaning that I spend more time being within my organization [than] looking at what others are doing and comparing…deciding how I wanted things done and doing it, not focusing on how others [do things], standing strong in my beliefs, and yet, acknowledging that I too can grow and change."

Knowledge of the Field

Another theme from the survey responses was the importance of knowing the field well and keeping up with training and professional development. One respondent said that her background knowledge had been built after 30-40 years in social services. Another talked about the importance of having a working knowledge of all aspects of the business, but a willingness to delegate specialist tasks to others. Another reported that she continues to take a minimum of 10 days of professional development training every year. Clearly, successful self-employed counsellors and career practitioners remain highly committed to their own lifelong learning.

Strong Professional Relationships

Many respondents also spoke of the importance of people to their business success. Many mentioned specific professional organizations that they had joined. Others talked about the significance of being mentored by folks who understood both the industry and the challenges of small business ownership. Several spoke of partnerships, both

professional and personal. One said, "I started a counselling center for individual and family counselling back in 1994. I had a partner, thank goodness, or I would never have made it through the first few years."

Another person shared the downside of self-employment and the personal sacrifices she had made, highlighting the need for supportive personal and professional relationships.

> The past three years have been very, very hard and I feel that I have suffered personally to become what I am today. If the right opportunity presented in the form of a great job, I would be very tempted. It has been very hard to be a mom, wife and entrepreneur; the stress and hours are unbelievable. I am sorry to be so negative but it is exhausting to compete with others in my field who seem to have someone at home that is coordinating all of the other stuff for them so they can concentrate on one thing only. Don't try to do it all yourself.

Effective Marketing

Almost every respondent emphasized the importance of effective marketing to her business success. Networking seemed to be the most significant marketing strategy, especially "with folks who are in a position to refer clients to you." Several respondents also talked of the importance of follow-up. One mentioned that she sent "a special Thank You note every time [she] got a referral."

Related to marketing, many respondents mentioned the importance of generating leads. Some ordered directories (e.g., of Employee Assistance Programs) and then sent marketing packages to each relevant organization. Others made lists of potential referring agencies or professionals and made appointments to meet with key players in person. Still others found volunteering or working part-time with relevant agencies to be a good strategy for getting future referrals. Related to volunteering was the strategy, used by several, of offering free workshops and giving talks for churches and community groups. Several respondents also mentioned the importance of specializing or finding an appropriate niche. In some cases, counsellors became well-known in their areas of specialty by serving on boards.

Although location is usually emphasized in marketing discussions, the results from this survey offer very different perspectives on what constitutes a good location. Several counsellors clearly prefer being home-based. One said, "The office and training room is in my home and I have three acres, overlooking the river, to use when I train and work compared to a windowless cell with bad air and toxic environment!!" Another said, however, "I don't know much about business but I am very practical. I knew that I wanted an office and not just a room in my home. I was very fortunate to find exactly what I wanted…I had a number on my door. So my office is listed as Suite 8 (looks great in ads)."

Financial Management

Another theme that clearly contributed to successful self-employment was strategic financial management. However, respondents shared a variety of perspectives on this topic. One said how much she appreciated having the security of a second income in her home as she started her business. A few others reported that they continued working, full or part-time, until their businesses became financially viable. Another said that she was glad to have built her business without government aid or personal loans (although she was receiving Employment Insurance and her partner was on a pension at the time). Another respondent, however, offered a different point of view, stating, "If I were starting my business over, I'd work more closely with a 'lender'/bank in developing a plan and establishing credit. By keeping my finances within my established cash flow, I did not prepare for when the opportunity came to expand."

Clearly, sufficient financial resources and careful spending decisions are important to business success. However, individuals have used a variety of financial management strategies to facilitate their transition from employment to self-employment. It seems important to make financial decisions that are personally comfortable rather than trying to follow a prescribed formula for starting a business.

Personal Characteristics

Survey respondents identified several personal characteristics as contributing to their business success: perseverance, endurance, openness to change, integrity, balance, and willingness to take risks. Of these characteristics, perseverance was the one most often mentioned. It was variously described as "determination" and "standing strong in my beliefs." One respondent said, "You can't give up. If you set your sights on something you go after it."

Regarding balance, one respondent mentioned constantly "evaluating and re-evaluating with a goal of 'balance'." Another said, "Of course you have to know your limits as well. There are certain things in counselling I say 'No' to."

Tips for Starting a Business

When asked what advice they had for starting a business in today's economy, several clear themes emerged: (1) commit to business planning and financial management, (2) build and nurture supportive relationships, (3) develop and implement a marketing plan, (4) streamline office processes and purge paper, and (5) make good use of the internet. Each of these tips will be expanded upon briefly in the following sections.

Business Planning and Financial Management

Several respondents identified how important it is to understand "the business end of things." One even recommended taking some business courses and another emphasized having "accounting, banking, and financial pieces in place" before starting the business.

Business planning was highlighted as well—not just as a one-time project but on a regular basis. One respondent summed this up well stating that, as she regularly revisits her business plan, she keeps "what remains aligned to today's ever-changing work world and set[s] to sea that which no longer remains viable or relevant"—good advice for us all, I think!

Similarly to what was reported in a previous section regarding finances, several respondents spoke of the importance of bridging contracts, good relationships with bankers, and establishing a line of credit. As with most small businesses, many counsellors and career practitioners experience the challenges of inconsistent cash flow when they start their businesses.

Build and Nurture Supportive Relationships

A major theme emerging from the survey results was the importance of building and nurturing supportive relationships. Some of this was reported in the section above, under Professional Relationships. However, in responding to the question about starting over in today's economy, respondents specifically mentioned a variety of people who contribute to business success. One person mentioned that, if starting over, she would "work only with professional supports (accountant, mentors, associates) that [could see her] vision and understand [her] business goals and aspirations." Another mentioned that she would "invest in a professional bookkeeper or financial advisor…someone outside of the organization." Still another respondent spoke of the importance of belonging to a business association where she could build relationships with, and be mentored by, bankers, lawyers, and other business leaders.

Others spoke of the importance of building strong relationships with employees, contract workers, and partners. One person said that, if she were to start her business today, she'd have "fewer staff and more 'contract' personnel." Another stressed the importance of ensuring that "employees have an understanding and a willingness to work in business, especially a for-profit business." Still another spoke of the importance of partnering "with others of like mind." Finally, others talked about the important roles of professional associations as advocates, lobbyists, and as a source of mentors.

Develop and Implement a Marketing Plan

Two themes emerged regarding marketing. One is consistent with advice given to most business start-ups: "utilize a strategic, aggressive, well-funded marketing campaign." The other, however, is perhaps more unique to our field: "Stay away from government as a client."

Streamline Office Processes, Purge Paper, and Use the Internet

Several respondents commented on the importance of managing information, especially paper. One said that, if she were starting over, she would "sort through, discard, [or] file…old office materials before adding all the new stuff!" Another mentioned that she would conserve her energy by developing processes that would allow her to do planning and activities the same way each time, rather than constantly reinventing the wheel. A third person commented that she would hire someone to do the detail-oriented clerical and administrative tasks for her. Technology is having an impact as well: two people specifically mentioned that they would make more use of the Internet if starting their businesses today.

The Fun of Self-Employment

When asked about the fun part of being self-employed, one theme, autonomy, emerged much stronger than any other. Although respondents used several different terms to describe this aspect of self-employment (e.g., freedom, independence, being responsible for the outcome, no politics, no supervision, seeing a vision fulfilled, controlling my own destiny, the feeling of being free of political agendas), it clearly was an important motivator for many of them. One person said that she particularly liked "flexible time; you can work until midnight and the doors don't lock on you! You can run down to the store or take care of a grandchild for a little while." Another commented, "There's no one to say it's not in the Job Description." Another said that she liked the fact that working independently "allows one to be flexible and pick and choose which type of client/issue to partner with…[rather than having that] 'assigned' by a distant bureaucratic approach."

Another theme that emerged from this part of the survey was the fun of working with great people—"helping" and "doing good." Most respondents mentioned how fun it was to work with their clients and see tangible results. One business owner commented that she appreciated being able to provide jobs for people. Another person said how much she enjoyed the opportunity to mentor others.

Lifestyle was another significant theme emerging from this question. Responses varied from "making money" to "status" to "working in a 'peaceful haven'" to "no daily long drives into the city in traffic." Although the lifestyle benefits of self-employment clearly differed between respondents, for many the fun of being self-employed was definitely having greater opportunity to live the life they wanted. It was summed up best by one respondent, "I do love what I do. So the choice was right for me. I hope to continue for a long time."

Risk-taking is often associated with entrepreneurial endeavours. While not a major motivator for this group, a few respondents did speak of "the thrill of taking a risk," "the excitement when it works out," and "the challenge."

The Financial Impact of Self-Employment: Payoffs and Benefits

One question on the survey specifically asked whether the respondent earned more money (net) in her business than when she worked as an employee. Responses were mixed. While four people answered a resounding "Yes!" further analysis revealed that all of these were self-employed contractors or portfolio workers (multi-trackers) or directors of for-profit organizations. Four other people answered "Yes and No." One of these people, although reporting that she was earning more in the short term than if working as an employee, highlighted the issue that she would not be receiving a pension like she would have had she stayed with her employer. Another respondent described the long road to financial success, "After one very hard year, I did okay the next year and a little better again last year." Someone else saw her earnings as equal, but commented that she now had "more write-offs so [was] probably [earning] a bit more on contract."

A third group, comprising five respondents, said that they were not earning more by being self-employed. Further analysis revealed that all of these were counsellors or directors of not-for-profit organizations. However, several of these folks still preferred self-employment to working for someone else. One person commented,

> I have only been self-employed fully for 4 years. I am 61 and have yet to earn net what I was earning in my full-time job plus private practice on the side but I wouldn't trade it for the world!!! I have had time to finish my PhD and upgrade my…skills as my own boss and go to whatever conference I want instead of having to plead with an unresponsive boss to let me go somewhere even when I was willing to pay myself!

Several other comments supported this theme. When asked if they were earning more now, one said, "No. Nowhere close! But that isn't what's most important to me." Another said, "somehow it all works out great for me. I am not getting rich financially, but I am glad I have taken the chance."

An Action Plan: Ten Steps to Building a Business

The results from this simple survey offer rich guidance to counsellors and career practitioners who are interested in starting or building a business. The following ten action steps provide a solid foundation:

1. Assess your entrepreneurial spirit: Perseverance, openness and integrity are crucial characteristics
2. Clarify your vision and goals
3. Work with passion, enthusiasm and energy: Focus less on others and more on your dream
4. Develop a flexible business plan, revisit it often, and change as required. Get business skills.
5. Build strong, respectful relationships (both personal and professional)
6. Market your business effectively: Develop a package, generate leads, and follow-up referrals
7. Stay visible and connected: Volunteer, work part-time, speak, write, join associations, serve on boards
8. Manage your finances: Establish a cushion, get bridging work, learn basic bookkeeping
9. Stay knowledgeable in your field: Take courses, attend conferences, keep reading
10. Work smarter, not harder: Be persistent and willing to work long hours, but strive for work/life balance. Organize, simplify, delegate, and form strategic partnerships.

Although self-employment is clearly not without its challenges, almost 100% of those surveyed love what they do and would make the choice to be self-employed again if they had the chance to start over. Perhaps some of the lessons shared by the 13 women who responded to this survey can provide a more solid foundation for your own counselling or career coaching business. Their stories are inspiring. I hope that you'll find the lessons that they've learned and the strategies that they offer helpful as you move ahead in your own career.

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